

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation into the
Operations and Practices of Verizon (formerly
GTE California Incorporated) with respect to its
Individual Case Basis Contracts.

Investigation 02-04-027

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

On April 22, 2002, the Commission filed its Order Instituting Investigation (I.) 02-04-027 into Verizon California Inc.'s (Verizon) operations and practices in connection with Individual Case Basis contracts. On June 5, 2002, assigned Administrative Law Judge (ALJ) McVicar conducted a prehearing conference, which I attended. I am issuing this ruling to meet the scoping memo and other requirements of the Commission's Rules of Practice and Procedure, Rules 6(c)(1) and 6.3.

Categorization

Pursuant to Rule 6(c)(1), the Commission preliminarily categorized I.02-04-027 as an adjudicatory proceeding. No party filed an appeal as permitted under Rule 6.4(a), so that determination is now final. Ex parte communications are prohibited in adjudicatory proceedings pursuant to Public Utilities Code Section 1701.2(b) and Rule 7(b).

Need for Hearing

The investigatory order determined that this matter is expected to go to hearing. No party maintained otherwise at the prehearing conference. I concur.

Scope

The scope of the investigation is as established in I.02-04-027. The issues to be addressed are:

1. Has Verizon violated applicable statutes and/or Commission orders, decisions, rules or other lawful requirements in connection with its Individual Contract Basis contracts, including but not limited to requirements in:

Resolution T-16218,

Decision (D.) 91-07-010,

General Order 96A, and

Rules of Practice and Procedure, including Rule 1?

2. If Verizon has committed violations, how many have there been and what were they?
3. If Verizon has committed violations, what sanctions should the Commission impose? The sanctions to be considered include but are not limited to fines under Public Utilities Code Sections 2107, 2108 and 2109, applying modified rules to Verizon's future Individual Case Base contracting practices, and modifying or extending the probation imposed by Resolution T-16218.
4. Should Verizon continue to enjoy Individual Contract Basis contracting flexibility under existing rules?

In addition to these issues summarized at page 2, I.02-04-027 states the Commission's desire that this investigation verify the adequacy of the outside auditor's review provided in response to Resolution T-16218, and evaluate whether the corrective actions taken by Verizon to address its corporate management problems are adequate to prevent recurrence.

As I.02-04-027 requires, parties must direct their efforts at Verizon's conduct. This proceeding is not a forum to assess customers' motives, roles or conduct in the course of their business transactions with Verizon.

Timetable

Considering Verizon's filed Prehearing Conference Statement, the views expressed by the parties in the prehearing conference, and the time constraint imposed by Public Utilities Code Section 1701.2(d), the schedule¹ will be:

October 25, 2002	CSD & Intervenors' Prepared Direct Testimony
November 13, 2002	Verizon's Responsive Testimony
November 15, 2002	Second Prehearing Conference
November 18, 2002	Evidentiary Hearings Begin
December 16, 2002	Briefs and Case Submission
February 14, 2003	Presiding Officer's Decision

The ALJ, with the concurrence of the Assigned Commissioner, may adjust the schedule as necessary during the course of the proceeding. The parties are reminded of the requirement under Section 1701.2(d) to resolve adjudication cases within 12 months of initiation.

Presiding Officer

ALJ McVicar is designated as the presiding officer (Rule 5(k)(1)).

Other Matters

Parties are to provide copies of each discovery request to all other parties at the time the request is sent; and parties are to provide copies of their discovery responses to each party that makes a request for that specific response.

This ruling will also require parties to provide to the ALJ electronic copies of all documents formally filed in the proceeding and all prepared testimony served on the parties, as further described in the ruling paragraph below. This

¹ Notice of specific hearing date(s), time(s), and location(s) is to be provided later.

includes, e.g., testimony served before the first day of hearing, written motions, responses to motions, and briefs.

IT IS RULED that:

1. This is an adjudicatory proceeding.
2. This matter is expected to require an evidentiary hearing.
3. The issues to be addressed are those established in Order Instituting Investigation 02-04-027 and this ruling.
4. The timetable will be as set forth in this ruling.
5. Administrative Law Judge (ALJ) James McVicar is designated as the presiding officer.
6. Parties shall provide copies of each discovery request to all other parties at the time the request is sent; and parties are to provide copies of their discovery responses to each party that makes a request for that specific response.
7. In addition to the standard hardcopy service required in Rule 2.3, parties shall provide to the ALJ an electronic copy of each document formally filed in the proceeding, and all prepared testimony served prior to evidentiary hearings. Documents which do not fit one of these descriptions, such as data requests and data responses, need not be sent to the ALJ. This requirement does not apply in the case of documents which the serving party does not have in electronic form. Electronic documents may be provided by file attachment(s) e-mailed to the ALJ at jcm@cpuc.ca.gov, or any suitable alternate medium including CD-ROM or floppy disk. Files shall be in plain text or any common and easily-converted word processing or spreadsheet format, or any other format the ALJ agrees to accept.

Dated June 18, 2002, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Scoping Memo and Ruling of Assigned Commissioner on all parties of record in this proceeding or their attorneys of record.

Dated June 18, 2002, at San Francisco, California.

/s/ FANNIE SID
Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TTY# 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.